

Message Text

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53

ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 CIAE-00 INR-07 NSAE-00 RSC-01

/028 W

----- 049692

R 241635Z JAN 75

FM AMCONSUL ZAGREB

TO SECSTATE WASHDC 2917

USDOC WASHDC

INFO AMEMBASSY BELGRADE

AMEMBASSY LONDON

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FOR EUR/EE

E.O. 11652: N/A

TAGS: BEXP, ECEM, YO

SUBJECT: SERIOUS YUGOSLAV SHORTAGE OF RAW MATERIAL CRUCIAL
FOR PRODUCTION OF DETERGENT

SUMMARY: REPRESENTATIVE OF LJUBLJANA FIRM "BELINKA," YUGOSLAVIA'S ONLY PRODUCER OF SODIUM PERBORATE, HAS INFORMED US THAT COUNTRY FACES IMMINENT SHORTAGE OF SOAP POWDER (SUFFICIENTLY LARGE TO CREATE PUBLIC ISSUE) UNLESS US BORAX AND/OR OTHER US FIRMS WILLING TO EXPAND DELIVERIES OF "BORIC PRODUCTS" (B2O3), WHICH ARE SERIOUSLY RESTRICTED AT PRESENT BECAUSE OF WORLDWIDE DEFICIT. BELINKA ASKS USG ASSISTANCE IN ENCOURAGING US BORAX TO RESTORE FORMER DELIVERY LEVELS OR IN FINDING ALTERNATE SUPPLIER TO MAKE UP SHORTFALL ESTIMATED AT MORE THAN 7,000 TONS FOR 1975.
END SUMMARY

1. EDVARD HARB, CHIEF OF THE COMMERCIAL DEPARTMENT OF BELINKA, CALLED AT THE CONSULATE GENERAL JANUARY 23 TO EXPRESS SERIOUS CONCERN ABOUT RESTRICTIONS ON EXPORT OF PRODUCT "RASORIT 46," WHICH HAVE BEEN IMPOSED BY BORAX CONSOLIDATED OF LONDON, THE EUROPEAN MARKETING AGENT FOR US BORAX CORP. PRODUCTS. BELINKA IS NOW SLATED TO RECEIVE A MONTHLY ALLOCATION OF 455 TONS
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FOR JANUARY AND FEBRUARY 1975, AND HAS BEEN LED TO BELIEVE THAT

IT MIGHT GET SLIGHTLY MORE IN MARCH. BELINKA IS YUGOSLAVIA'S ONLY PRODUCER OF SODIUM PERBORATE, WHICH IS APPARENTLY USED AS A BASIC RAW MATERIAL BY ALL YUGOSLAV PRODUCERS OF HOUSEHOLD DETERGENTS. BELINKA RECEIVED SUBSTANTIALLY LESS "RASORIT 46" THAN IT WANTED IN 1974, AND HAS NO RESERVE STOCKS ON HAND. ACCORDING TO HARB, EMPTY SHELVES IN YUGOSLAV SUPERMARKETS ARE AN IMMINENT PROBABILITY, WHICH COULD CREATE A POLITICAL ISSUE. YUGOSLAV CHAMBERS OF COMMERCE ARE REPORTEDLY BEGINNING TO DISCUSS THE PROBLEM.

2. AS EXPLAINED TO US BY HARB, BELINKA HAS BEEN RECEIVING "RASORIT 46" IN CONCENTRATIONS OF 56 PER CENT; HOWEVER, IT COULD USE "RASORIT 46" WITH A CONCENTRATION AS LOW AS 36 PER CENT. FURTHERMORE, HE SAID BELINKA COULD USE EITHER "RASORIT 65" OR REFINED PENTAHYDRATE BORAX FOR THE PRODUCTION OF SODIUM PERBORATE INSTEAD OF "RASORIT 46." ALL OF ABOVE CHEMICALS MUST BE RECEIVED BY BELINKA IN "GRANULATED POWDER" FORM. PRODUCER OF THESE CHEMICALS IS US BORAX AND CHEMICAL CORP., 3075 WILSHIRE BLVD., LOS ANGELES, CALIF. 90010. US BORAX IS AFFILIATED WITH RIO TINTO ZINC CORP. OF AMERICA, WHICH HARB BELIEVED COULD HAVE THE DECISIVE VOICE IN DETERMINING WHETHER TO INCREASE SUPPLIES.

3. AS STILL ANOTHER ALTERNATIVE, HARB SAID BELINKA COULD USE THE CHEMICALS DEHYBOR OR PYROBOR TO PRODUCE SODIUM PERBORATE. US PRODUCER OF PYROBOR IS KERR-MCGEE CHEMICAL CORP., KERR-MCGEE BUILDING, OKLAHOMA CITY, OKLA.

4. HARB MENTIONED THAT THIS BORIC PRODUCTS SUPPLY PROBLEM HAD BEEN RAISED BY PRIME MINISTER OF SLOVENIA MARINC DURING HIS RECENT VISIT TO THE US.

5. COMMENT: THERE HAS BEEN A RUN ON DETERGENTS IN LOCAL STORES IN NOVEMBER 1974 WHICH PROMPTED GOVERNMENT SPOKESMEN TO DENY RUMORS OF SHORTAGE. SINCE THERE IS NOW A REAL POTENTIAL SHORTAGE, "RUMORS" AND CONSEQUENT RUNS ON THE LIMITED SUPPLY CAN BE EXPECTED TO MATERIALIZE QUICKLY. THE REPUTATION OF US FIRMS AS RELIABLE SUPPLIERS WILL BE DAMAGED. WE, THEREFORE, URGE THAT ACTION BE TAKEN TO LOCATE BORIC PRODUCTS (AS DESCRIBED IN PTO BELOW) OR SODIUM PERBORATE IN ORDER TO MAINTAIN US LIMITED OFFICIAL USE

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DOMINANCE IN THIS MARKET.

6. ACTION REQUESTED: DEPARTMENT OF COMMERCE CONTACT US BORAX/ RIO TINTO AND KERR-MCGEE TO INQUIRE ABOUT POSSIBILITY OF INCREASING SUPPLY OF NEEDED CHEMICALS TO YUGOSLAVIA. IN ADDITION, CIRCULATION OF PTO (BELOW) TO ELICIT OTHER SUPPLIERS. SHOULD US FIRMS BE UNABLE TO MEET THE YUGOSLAV NEEDS, USDOC SHOULD CONSIDER CONTACTING US PRODUCERS OF SODIUM PERBORATE WITH A VIEW

TOWARDS SELLING IT DIRECTLY TO YUGOSLAV MANUFACTURERS OF DETERGENTS. (NOTE: THIS STEP WOULD PRESUMABLY EXCLUDE BELINKA FROM PRODUCTION PROCESS.)

7. THE FOLLOWING IS TECHNICAL INFORMATION ON BORIC PRODUCTS NEEDED BY BELINKA, KEYED TO THE PTO FORMAT.

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BEGIN UNCLASSIFIED

SUBJECT: PTO BELINKA

6. (1) 479/02/P0005
7. (2) 012375
8. (3) E VON DEN STEINEN
9. (4) 479 YUGOSLAVIA
10. (5) M
11. (6A) WRITE TO --
12. (6B) EDVARD HARB

CHIEF COMMERCIAL SECTION

(6C) BELINKA

POSTNI PREDAL 5-I

61001 LJUBLJANA

13. (7) TELEX: 31-260 YU BEL; PHONE: (061) 314-177

14. (8) --

15. (9) 101 DIRECT SALE TO END USER

16. (10) DESCRIPTION

28194 11 (BORIC ACID) - 0750

"RASORIT" IS A BASIC RAW MATERIAL FOR THE PRODUCTION OF SODIUM PERBORATE, WHICH IS USED IN THE MANUFACTURE OF HOME DETERGENTS.

THE CHEMICAL ANALYSIS OF "RASORIT" IS AS FOLLOWS:

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SODIUM OXIDE (NA2O)	20.9 PER CENT
BORIC OXIDE (B2O3)	47.0 PER CENT
WATER (H2O)	28.8 PER CENT
MINOR CONSTITUENTS	3.3 PER CENT
EQUIVALENT ANHYDROUS BORAX (NA2B4O7)	67.9 PER CENT
EQUVALENT 5 MOL BORAX (NA2B4O7H2O)	98.3 PER CENT

MINOR CONSTITUTENTS PRESENT FROM THE WATER INSOLUBLE GANGUE ARE TYPICALLY AS FOLLOWS:

SILICA (SI92)	0.40 PER CENT
IRON OXIDE (FE2O3)	0.07 PER CENT
ALUMINA (AL2O3)	0.71 PER CENT
TITANIUM OXIDE (TIO2)	0.02 PER CENT
CALCIUM OXIDE (CAO)	0.13 PER CENT
MAGNESIUM OXIDE (MGO)	0.52 PER CENT

SULFATE (SO₄) 0.02 PER CENT
CARBONATE (CO₂) 0.44 PER CENT

SIEVE ANALYSIS:

US STANDARD SIEVE NO.	PER CENT CULUMATIVE
8	0.2
12	1.1
16	3.0
20	13.7
30	33.6
40	54.1
50	70.2
70	80.8
100	88.2
140	92.0
200	94.7
200	5.3

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Executive Order: N/A
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Margaret P. Grafeld
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EO Systematic Review
05 JUL 2006

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To: STATE COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006